

NOTE: These minutes do not constitute a verbatim transcription of the CPC meeting.

**CITY PLANNING COMMISSION
REGULAR MEETING
July 7, 2005**

APPROVED

Call to Order: The meeting was called to order by Chairperson Arthur Simons in the Committee of the Whole Room, 13th Floor of the Coleman A. Young Municipal Center, at 5:00 PM.

Roll Call: Present at the meeting were Commissioners Cason, Christensen, Glaser, Jeffrey, Simons, Wendler and Williams. Absent were Commissioners Glenn (excused) and Smith (excused).

Agenda: The Agenda was amended to add under New Business, consideration of the request of Eye on Detroit to approve a minor modification to an approved PD zoning in the area of Seven Mile Rd. and Telegraph to allow for the development of the Seven Mile Gateway shopping center; under Discussions and Public Hearings, a change in the time of the public discussion on the request of the Downtown Development Authority to amend the Tax Increment Financing Plan and Development Plan for Development Area No. 1; and a change in the order of business.

Minutes: ACTION: Commissioner Glaser moved to approve the minutes of the Regular Meeting of June 16, 2005.
Commissioner Cason seconded the motion.
Motion carried.

NEW BUS.--
Request of Eye on Detroit to modify the approved PD plans for the Seven Mile Gateway shopping center at W. 7 Mile and Telegraph:

Consideration was given to the request of Eye on Detroit to modify the approved plans for an existing PD (Planned Development District) zoning classification and to rezone an R1 (Single-Family Residential District) zoning classification to a PD zoning classification in the area generally located on the west side of Telegraph Road between Pembroke Avenue and West Seven Mile Road to allow for the construction of a retail shopping center.

CPC staff member Christopher Gulock reviewed the background information and presented CPC staff's analysis and recommendation.

The developer is proposing a revision to the PD plans approved by the Commission on September 24, 2004 and City Council on November 22, 2004 with 24 conditions. The proposed revisions are minor and include the elimination of one of two "big box" retailers, an increase in the number of outlots from 3 to 4, the shifting of the location of the Home Depot store to the south, a decrease in the amount of square footage from 348,616 to 303,257, and a decrease in the number of parking spaces from 1,412 to 1,370.

Steve Schafer of Eye on Detroit responded to questions of the Commissioners. Leases have been executed with Home Depot, Flagstar Bank, Fifth Third Bank and other smaller strip

retailers. A letter of intent has been signed with Staples, and negotiations are taking place with Marshall's. Target's was not interested in going forward with the project. An anchor store for the end box retail has not been finalized. A restaurant will be selected after the retail is established.

In response to Commissioner Wendler, Mr. Schafer noted that opening another store in Detroit was just not in Target's program in part because it recently closed one at the Bel-Aire shopping center on 8 Mile Rd. Mr. Schafer noted that the success of other retail establishments in the City including The Home Depot at 7 Mile and Meyers which has exceeded retail sales projections by over 140%.

CPC staff recommended approval of the revised PD plan modification and rezoning with 24 conditions. The conditions were described in the CPC staff's report to the Commission dated July 7, 2005.

ACTION: Commissioner Jeffrey moved to accept the CPC staff recommendation. Commissioner Wendler seconded the motion. Motion carried.

OLD BUS.--
Request of
Steven
Shafer to
rezone
Area of
Lindsay,
Santa Maria,
Biltmore,
and
W. Mc-
Nichols
from R1
to R3:

Further consideration was given to the request of Steven Schafer to rezone property in the area generally bounded by the alley first west of Lindsay Avenue, Santa Maria Avenue, the vacated alley first east of Biltmore Avenue, and the alley first north of W. McNichols Road from an R1 (Single-Family Residential District) zoning classification to an R3 (Low-Density Residential District) zoning classification for the development of multi-family housing.

CPC staff member Marcell Todd reviewed the background information and addressed concerns raised at the Commission's June 16, 2005 public hearing on this matter. Concerns related to potential height incompatibility between the proposed project and the single story character of adjacent properties.

The rezoning would allow the development of 132 units of market rate multi-family housing and accessory uses. Gilchrist between the alley north of McNichols and Santa Maria would be vacated and consolidated into the abutting blocks to create one land mass. A total of 96 stacked ranch style units in eight 12-unit structures, including garages, would be built on the consolidated site. Internal circulation roads and walking paths, surface parking and green space featuring a central court that would replace the Gilchrist right-of-way would complement the units. Three townhouse structures of six units each would be built along both Biltmore and Lindsey.

Mr. Todd noted that CPC staff reviewed the Zoning Ordinance and revisited the subject area in order to address the issue of height compatibility. The Zoning Ordinance does not establish any compatibility requirements between multi-family structures and single or two family housing types. The compatibility requirements that are in place cover single and two family dwellings units within 200 feet of a proposed site on the same face of a given block. This is in place primarily to maintain continuity along residential blocks within R1 and R2 districts. The R3 district is intended to provide for a mix of low-density housing including multi-family as well as single and two family housing types. There is no specified height limitation for multi-family housing in R3, but instead a floor area ratio of 0.7 is used to limit

density and, through practical application of that ratio in design, limit the number of stories for a development. This would typically result in a range of 4 to 5 stories, which could result in a building of 40 to 55 feet in height.

Mr. Todd noted that the proposed two-story structures would yield a floor area ratio ranging from .3 to .5 with a height of about 30 feet. The surrounding R1 and B2 zoning districts would allow up to 35 feet in height. Existing developments on the adjacent PD zoning lots are well in excess of 35 feet in height. While the majority of the single-family structures in the area are single-story ranches, there are some two-story dwellings in the form of bungalows and some colonials. CPC staff felt that the disparity in height between the single-story structures and the proposed project would not present a problem given the current character of the area. The area is in transition in terms of land use, density and character. The developer intends to purchase additional land in the area to develop more single-family dwellings. Although the compatibility requirements may come into play in some of those instances, they would not preclude the development of two-story homes.

As to other issues of adjacent impacts, CPC staff cited other applicable provisions of the Zoning Ordinance. Section 61-14-222, Residential Screening, may require landscaping and/or an opaque wall to be established between the parking areas of the proposed project and abutting R1 residential lots.

CPC staff felt that the project is consistent with the provisions of the proposed zoning district. The surrounding land use, traffic, street classifications and the transitional status of the area are supportive of the request. The Master Plan of Policies supports and anticipated this type of land use evolution for the area.

Mr. Todd responded to questions regarding the floor area ratio. Commissioner Williams expressed concern regarding the placement of 4 to 5 story structures in the middle of 2-story structures. Mr. Todd noted that that was not the intent of the developer. The development calls for the construction of stacked ranches and townhouses.

Commissioner Christensen inquired as to why market rate housing is higher in Detroit compared to other metropolitan areas. A unit in Detroit may cost \$120,000. The same unit elsewhere would cost \$100,000. Mr. Schafer noted additional costs of doing new construction in the City of Detroit. Contiguous parcels of land are difficult to acquire. Logistic and trades present more of a challenge.

CPC staff recommended approval.

**ACTION: Commissioner Cason moved to accept the CPC staff recommendation.
Commissioners Glaser and Jeffrey seconded the motion.
Motion carried.**

OLD BUS.--
Final dev.
proposal for
MotorCity
Casino:

Further consideration was given to the request of Detroit Entertainment, L.L.C., d/b/a Motor City Casino, to approve the final development proposal for a casino in the SD5 (Special Development District for Casinos) zoning district generally bounded by Grand River, Elm, Trumbull, Spruce, Brooklyn, Pine and the Lodge Freeway.

CPC staff member Marcell Todd reviewed the background information and presented the proposed design, which had been modified since the Commission's June 16, 2005 public discussion on this matter.

The proposed expansion of the casino building, the Wagner Building, has increased in scope. The third floor expansion will not be pursued. Instead, the proposed second floor expansion will go further westerly to the Brooklyn facade. This will provide for a more dramatic and wider expanse of gaming area at the primary entry point to the casino floor. The Brooklyn facade itself will also move westerly encroaching upon the Brooklyn right-of-way and narrowing this one-way, northbound street. This encroachment will be needed in order to replace the existing emergency exit stairs in the loading area that would be lost as a result of the second floor expansion.

The proposed design of the hotel and parking deck at the southwest corner of Temple and Brooklyn has also been modified. The casino believes that the new deck will provide more efficiency for the casino operation if it can be used for casino employees as well as patrons. The new proposal calls for the first and second levels of the deck being used exclusively by employees. The previously proposed vehicle entrance on Temple would be moved to Perry on the south side of the new deck. This would reduce potential traffic congestion resulting from conflicting left turn movements on Temple. This would eliminate the secondary valet for the hotel. The third and fourth levels of the new deck would be for patrons and would be accessed via connecting bridges at both levels spanning Temple from the existing parking deck. The third and fourth levels of the new deck would span the hotel loading area at Temple and Brooklyn creating an enclosure to further screen and buffer the area.

It now appears that the casino will be allowed to place a separate ground floor access point to the theater and convention space along Brooklyn. The entrance would include a canopy over the sidewalk that would be another encroachment into the Brooklyn right-of-way. At the southern end of the building, the facade would be extended to enclose the loading area at that location, similar to the hotel loading area. The abutting parking lot would be reduced in size in order to accommodate vehicle access to the loading dock.

Final selection of exterior building materials and the detailing of the facades will be coordinated with CPC and P&DD staff. The casino shared the CPC's concern for the manner by which existing facades are re-clad or altered, particularly on the Grand River facade of the Wagner Building. Buildings are to be re-clad using glass, metal sandwich panel, precast concrete, stone, or similar man-made products. Some surfaces may be painted and EIFS may be used in certain applications. The graphics and signage components, excluding the video board, are generally acceptable, consistent with the conditions of the CPC's rezoning recommendation.

CPC staff felt that the casino representatives have shown a greater sensitivity to the issues raised by the Commission, staff and other agencies and a commitment to an even higher quality product.

Because the casino is utilizing the same approaches and virtually the same traffic patterns as it does today under temporary operation, increased traffic volume appears to be the primary traffic concern. The Traffic Engineering Division will complete its review of the revised

traffic study prior to this matter being presented to City Council. The Division does not have any concerns at this time.

CPC staff expressed satisfaction with the revised design and the improvements that have been incorporated. Final configuration of some of the new revisions will be subject to detailed review requirements of Traffic Engineering and the Fire Marshal. Signage and graphics will remain subject to subsequent CPC staff level review and approval in order to maintain consistency with the process used with the other casino projects. CPC staff was confident that the expectations of the design concept would be met or even exceeded as the project evolves through the remaining phases of the design process.

Materials samples were viewed.

Mark Stratte of MotorCity Casino responded to questions regarding the configuration of gaming space. The inside of the temporary casino will be essentially demolished and remodeled. The gaming area is being expanded on the second level going north. The second floor will be one large gaming area. The fourth floor will house administrative offices including the Michigan Gaming Board. A new VIP area is being developed. The buffet will be open during construction. A new buffet and kitchen will be built on the second floor. Employees will use the old buffet. A 400 room will be constructed featuring two different types of suites.

In response to Commissioner Williams, Mr. Stratte noted that MotorCity has not been involved in discussions moving the casinos to a new convention site.

CPC staff recommended approval provided that the developer continue to work with CPC staff, the P&DD and other agencies as appropriate toward the refinement and finalization of the design of the casino complex; that the surface parking and bus parking areas be fenced and landscaped utilizing high quality materials to create a unified casino campus distinguished from adjacent non-casino properties; that on-site lighting features be designed and oriented in such a way as to eliminate intrusive spillover of light onto adjacent properties; that some additional modification to design layout may be required upon completion of the Traffic Engineering Division's review of the traffic impact analysis; that signage and graphics will be subject to subsequent staff level review and approval; and that final site plans and elevations, landscaping, lighting and signage plans be submitted to the CPC staff and P&DD for review and approval prior to the issuance of applicable required permits.

**ACTION: Commissioner Cason moved to accept the CPC staff recommendation.
Commissioner Glaser seconded the motion.
Motion carried.**

PUBLIC
DISC.—
Land sale
in Whole-
sale Distri-
bution
Center No. 3
to 1565
Erskine LLC
for multi-
tenant
commercial
facility:

A public discussion was held on the request of 1565 Erskine LLC to purchase City-owned property in the area bounded by Hale, Erskine, Orleans and Riopelle in the Wholesale Distribution Center urban renewal area for the development of a multi-tenant commercial facility, primarily for food-related uses.

Present for the discussion were representatives of 1565 Erskine LLC--Bob Heide, President of UrbanLife Development, and Kevin Hanson of Johanson-Charles Gallery.

CPC staff member Christopher Gulock reviewed the background information.

The property contains about 6.63 acres and is currently developed with a vacant one-story 106,500 square foot building formerly utilized as the Water and Sewerage Department's Old Central Yard. The building has been vacant for about 5 years and in that time has been stripped of anything of value.

In February 2004, the Planning & Development Department (P&DD) released a request for proposals (RFP) for the sale of 1565 Erskine Street in the Eastern Market area and selected 1565 Erskine LLC to purchase and redevelop the property. The RFP stated in part that the City is "seeking to establish an adaptive reuse of the building that would consist primarily of food processing, food distribution, food warehousing and food wholesale uses as outlined in the development plan; in conjunction with the primary wholesale uses, the successful developer may also incorporate compatible secondary retail components into the development; the ultimate re-development goal would be to integrate the building and the surrounding site into a project that would be compatible with the ambience, flair, and flavor of Detroit's Eastern Market."

The development consists of the renovation of the existing building as a mixed-use development project with uses of food, along with arts, entertainment, retail and business incubation. The building would be divided into about 16 tenant spaces. The development would provide opportunities for incubating small entrepreneurial businesses in smaller spaces, as well as established businesses wishing to expand into larger modern spaces. The petitioner plans on contacting existing Eastern Market businesses to determine their interest in upgrading to an updated modern facility.

The primary uses of the building would be for wholesale food warehousing and distribution uses, such as small-scale wholesalers, those with unique niche products, food processors, cold storage uses, and farmers seeking seasonal daily or weekly storage space. Additional potential tenants would be ancillary commercial and retail uses such as working artist studios, performance artists, designers, recording studios, retail uses (including food and home products), and restaurant uses.

The developer plans to petition the City to reopen Riopelle on the west side of the building. For the area north of the building, the site plan shows a truck marshalling area, loading docks, and spaces for 125 cars; west of the building, across vacated Riopelle, is a parking lot for 77 cars. The site plan also shows extensive landscaping in and around the parking lot, site signage, and a perimeter black vinyl coated chain link fence.

The developer plans to extensively renovate the building, including new windows and doors and new mechanical and electrical systems. Also, the developer will have to remove asbestos from the building, as well as underground storage tanks. Because of the environmental remediation costs, P&DD has agreed to sell the property for \$150,000.

P&DD staff indicated that 1565 Erskine LLC was selected over the two other RFP respondents, because of the group's redevelopment experience, ability to handle environmental remediation, and quality of proposal which includes food uses and retail uses that would provide a link to and complement retail activity in the Eastern Market area.

The Development Plan for the subject site allows Food Distribution uses defined as wholesale or retail food distribution and processing with primary emphasis on fruits and vegetables, secondary emphasis on poultry, fish and seafood, and eggs and dairy products, and meat and meat products (not slaughtering), frozen foods and dry groceries. The Development Plan also permits Supportive Services on some parcels in the Wholesale Distribution such as restaurants and other retail services which are clearly subordinate to any principal permitted use; however, the plan does not specify that Supportive Services are allowed for the subject parcel. CPC staff is researching whether compatible secondary retail components may be included in the project.

To date, the developer has not lined up any major tenants, and is waiting until further assurance that the land sale will be approved by the City. Because of the Wholesale area's focus on food-related uses, the City could require that the deed not be transferred unless a certain percentage of food-related tenants are found.

The Development Plan also requires that the design and appearance of all buildings and structures shall be such as to complement and enhance the character and appeal of the retail Eastern Market. CPC staff felt that the current vacant building is an eyesore and found the proposed design to be a welcomed improvement.

The recommended future land use for the Middle East Central Subsector of the Detroit Master Plan of Policies shows Institutional for the parcel, mainly because of the City's historic occupation of this and several sites in the area. The site is zoned M3 (General Services District), which allows food distribution uses.

The CPC office received one telephone call regarding the project and five letters of support.

Mr. Heide cited intentions to convert a blighted building into a mixed-use development. He reviewed details of the site plan, showing the truck marshalling area, loading docks, spaces for 125 cars and a parking lot for 77 cars. In addition to wholesale food warehousing and distributions uses, the developer wants to bring in restaurants and entertainment uses. Spaces for the tenants would range from 1400 to 3000 square feet. The square footage of the building would be configured according to demand. Riopelle is proposed to reopen in order to provide north/south access to Eastern Market.

Mr. Hanson, owner of an arts gallery on Division St. in Eastern Market, cited a desire to bring more life into the Eastern Market area to create a district of arts and entertainment. Mr. Hanson noted that at different times his gallery serves as a lounge, arts gallery and

concert stage and would like to copy that use in the new development. With loft development, the area is prime for entertainment development. The proposed development would assist in generating more people to Eastern Market.

Mr. Heide reviewed some of the ancillary uses proposed for the development including a working artists studio, recording studios, and retail uses. The mix would result in helping to create synergy and a 24-hour district via wholesale, retail and entertainment components.

Commissioner Glaser inquired as to the type of entertainment envisioned in the development. Mr. Hanson cited intent to replicate entertainment provided at his gallery, such as poetry readings, art showings, musician gatherings, weddings, and activities for kids, such as drumming classes.

In response to Commissioner Williams, Mr. Gulock noted that the urban development plan allows accessory uses to wholesale or retail food distribution uses. The plan, however, does not specify the allowance of accessory uses on the subject parcel. CPC staff indicated that it needs to talk to the Law Department regarding various interpretations of the development plan, and whether secondary retail components may be included in the project. The development plan could be amended to address concerns.

Questions were raised as to how other establishments in the area came into being since their principal use is not related to the principal use of wholesaling, such as the Thai restaurant in a former Fire House on Russell St, and Bert's Marketplace.

Upon questioning, Mr. Gulock noted that the position of the Law Department is that all land sales are bound by the stipulations of the urban renewal development plan. The uses of most of the buildings comply with the development plan. However, some buildings, including Bert's Marketplace, were not subject to this review.

Mr Marusich noted disagreement between the P&DD and Law Department on interpretation. Food Distribution is "not stamped" on the subject building. He cited the building's orientation to the street and its evolution pointing out the suitability for a multi-dimensional use of the parcel.

Commissioner Jeffrey inquired as to how long the Development Plan has been in place. Mr. Gulock noted that the Plan was approved in the late 1970's. The Plan has been amended three times.

In response to Commissioner Jeffrey, Mr. Marusich noted the approximate number and location of city-owned parcels remaining for development. He also provided a brief history of failed attempts to develop parcels in the area.

Commissioner Jeffrey suggested amending the Development Plan to allow the proposed use. A developer is interested in developing the vacant building. The City cannot afford to pass up anybody who wants to develop.

Commissioner Jeffrey inquired as to whether the Citizens District Council still exists. Mr. Marusich responded affirmatively but noted that it had not met in awhile.

Commissioner Jeffrey noted that the Law Department appeared to have used a double standard when determining whether or not the Development Plan applied. He felt that the proposal represented an opportunity for development. The vacant building had not been developed for food-related uses in the past. The building does not appear to fit into the category.

The following persons spoke at the public discussion.

Joe Cuspid, Metro Producers, MPI Investment, noted that his wholesale business has been operating in Eastern Market for 22 years. He felt that the Development Plan works. Wholesalers are committed to the continued development of food-related uses to the north. It is very difficult to find a parcel for development via the RFP process. RFP's have only been issued for two sites. It is not correct to say that the Development Plan is not working. Mr. Cuspid cited data indicating that 73-75% of revenue is generated by wholesaling. He noted that Metro Producers has been through the RFP process before and has developed sites. Metro submitted a response to the RFP issued for the subject parcel proposing a development of 100% wholesale. Metro still stands by that offer. Mr. Cuspid inquired as to who is the "real" developer of the subject site—1565 Erskine, LLC or UrbanLife Development, and whether or not proposed development is the same stated in the RFP. He questioned whether the owner or speculation is controlling the demand for mixed use. He expressed reservation as to whether the mixed-use development is the most optimal use given the Wholesale Distribution Development Plan and the limited amount of land available for the development of wholesale, especially in the northern part of Eastern Market. CPC staff noted that it would obtain a copy of the RFP. Mr. Marusich responded that the development is the same as stated in the RFP. The developer was chosen on the basis of financial capacity and experience, including development of lofts, brownfields and obsolete properties.

David Devries, R.J. Hirt, indicated that he purchased property at Wilkins and the Service Dr. and developed it into a food-related warehouse. Eighty-five percent of his business is in wholesale. He expressed support for wholesale development.

Mr. Marusich responded to questions of Commissioner Jeffrey relative to whether the other RFP's received for development of the subject site proposed food-related uses. Mr. Marusich noted that the RFP submitted by Mr. Cuspid proposed the development of 19,000 square feet of commercial space, including a farmer's research center and a commercial kitchen. The RFP submitted by another party proposed the development of 100% wholesale operations. However, that developer lacked financial capacity.

Mr. Cuspid noted that in 1996 his company was chosen as the developer of the site. He noted the Water Board's control of the property at that time and standstills in negotiations with Kathy Leavey, which resulted in the project not moving forward.

The matter was taken under advisement.

PUBLIC
DISC.--
Amendments
to the
TIFA
Plan
for
Downtown
Dev.
Area
No. 1:

A public discussion was held on the request of the Downtown Development Authority (DDA) to amend to amend the Downtown Development Authority Tax Increment Finance Plan and Development Plan for Development Area No. 1.

Present for the discussion was Art Papapanos of the DDA.

CPC staff member Gregory Moots reviewed the background information and presented CPC staff's initial analysis.

Major changes include modification to the Book Cadillac Hotel, the East Riverfront District, the Lower Woodward Improvement Agenda, the EDS relocation, Downtown General Development, and the Housing/Office/Retail Development and Absorption Plan projects.

The estimated annual tax increment revenue has been increased by approximately \$84 million to more accurately reflect current conditions and project status. Values of loan repayments to DDA are corrected to reflect the actual value for the years 2001-2005. Estimated interest income over the duration of the Plan is increased from \$58.37 to \$72.77 million.

The developer for the Book Cadillac Hotel project previously identified in the plan has been replaced with another developer with whom the DDA is in negotiation. In addition to previous funding commitments, the DDA is proposing to guarantee with loans any reduction in the anticipated historic tax credits.

As to the East Riverfront District project, the Economic Development Corporation (EDC) will reimburse the DDA \$6 million of the \$16 million that it has disbursed for this project since a portion of the project is in the EDC's Waterfront Reclamation and Casino Development District area.

A total of \$500,000 is being moved from the Facade Easement Program to the Streetscape Improvements Project for the Lower Woodward Improvement Agenda. In addition, \$2.5 million is proposed be added to the initial allocation for Streetscape Improvements.

The initial allocation of \$67.58 million for the Housing/Office/Retail Development and Absorption Plan programs is proposed to be increased by \$63.03 million for the duration of the Plan. This increased funding is slated to come from the projected increase in TIF revenues.

As part of the incentive package to attract EDS, the DDA committed to provide reduced-price parking for a period of up to 10 years at an approximate cost of \$6 million. In addition, the DDA proposes to provide a \$3 million grant to the landlord toward the cost of tenant improvements to the EDS offices.

The original \$26.78 million allocated to the Land Assemblage program for the Downtown General Development project has been depleted. The project is proposed to be increased by \$66.05 million for the duration of the Plan. This increased funding is slated to come from the projected increase in TIF revenues.

Public Act 13 of 2005 amended Act 197 to allow the DDA to capture \$8 million of school taxes to implement a demolition program for the Downtown District. The City, DDA, or a private developer may use the funds. The funds may be used to demolish buildings that are declared dangerous by the City, ordered demolished by a court order, be subject to a Development Agreement between the DDA and a third party, or the subject of a negotiated agreement between the DDA and the owner.

CPC staff felt that the amendments were generally in accord with current policies. As the Plan extends until FY 2026-27, it could be implemented in a myriad of ways. The large sums of money allocated to the Land Assemblage program and Housing/Office/Retail Development and Absorption Plan programs would certainly have a large impact on the downtown area over the next 20 years. City Council's Fiscal Analyst will be asked to review the amount of TIF revenues generated by the amendments.

In response to Commissioner Cason, Mr. Papapanos noted that the developer selected to rehab the Book Cadillac decided not to proceed given the discovery of an additional \$20 million gap in financing and DDA's inability to provide funding to close that gap. Another developer has been identified and is in negotiations with the DDA. The budget for renovation is approximately \$150 million. Efforts are being made with the Federal government to qualify for \$20 million in tax credits. The DDA will guarantee with loans any reduction in the anticipated historic tax credits. Financial commitments require the guarantee. Some Commissioners expressed skepticism about the renovation.

Commissioner Jeffrey inquired as to the current location of EDS personnel. Mr. Papapanos noted that the 1,500 employees are located in Tower 500 of RenCen having relocated from Troy, MI five months ago. Mr. Papapanos noted the history of EDS, including its split from General Motors.

Commissioner Wendler inquired as to the number of EDS employees who worked in the RenCen 5 years ago. Mr. Papapanos did not know. After its split from GM, EDS moved its headquarters outside of the City of Detroit. The \$3 million incentive package goes to the landlord who will be making improvements to the EDS offices in the RenCen.

Commissioner Wendler inquired as to who owns the parking facility for the EDS employees. Mr. Papapanos noted that the parking facility located east of RenCen is privately owned. Ms. Bruhn noted that originally, discussion occurred about constructing a parking structure for the EDS employees. The estimated cost of that parking structure was \$10-11 million. The parking structure would have resulted in taking away a sizeable amount of land in the East Riverfront area, which could have been used for housing, commercial, etc.

Mr. Papapanos explained how the DDA captures tax dollars and the role of the State in reimbursing the Board of Education for school taxes. The DDA is capturing more dollars in school taxes than intended. Public Act 13 of 2005 allows the DDA to capture \$8 million of school taxes to implement a demolition program for the Downtown District. The State will reimburse the schools.

OLD BUS.-- Further consideration was given to the request of the Economic Development Corporation of
EDC Detroit to amend and restate the current Project Plan for the Waterfront Reclamation and
Project Plan for the Casino Development Project.

the Waterfront Reclamation and Casino Dev. Project: Present for the discussion were Art Papapanos, Ron Flies and Michael Dempsey of the Economic Development Corporation (EDC).

CPC staff members Gregory Moots and Marcell Todd reviewed the background information, described the project and responded to concerns raised at the Commission's June 16, 2005 public discussion on this matter. Concerns included how the plan would benefit non City-owned land, the future of Chene Park and the land just to the north where parking for the park is presently staged, the need to formalize the agreement between the Riverfront East Alliance (REAL) and the Detroit Economic Growth Corporation (DEGC) relative to the potential adaptive reuse of certain buildings in the district, and the need to ensure that varied, high quality urban housing developments are realized on the City-owned land and throughout the district.

The Project Area consists of approximately 137 acres located east of the central business district and primarily south of East Jefferson and includes a north-south former railroad corridor running from East Jefferson to Gratiot along St. Aubin/Orleans. E. Jefferson, Chene, the Detroit River, Rivard, Guoin, and Riopelle generally bound the Project Area.

The proposed amended and restated Project Plan calls for mixed land use throughout the district dominated by residential development with provision for supportive commercial retail and service opportunities. The Plan includes comprehensive text changes and related map revisions. The chief purpose of the proposal is to eliminate the references to waterfront casino development and to instead facilitate mixed-use redevelopment within the Project Area, including recreational uses and public access to the Detroit River. There are no provisions for the condemnation of private property included in this amended and restated Plan.

CPC staff noted that it is still working out its recommendation on the Plan given outstanding issues and disagreement with the DEGC. The Commission agreed to resolve the outstanding issues at today's meeting given the urgency expressed by Mr. Papapanos. The proposed Plan is related to the Project Plans for Springwells Industrial Park and Mt. Elliott-Wight. The proposed Plan needs to be approved by City Council as soon as possible so that the DEGC is able to utilize certain funds to implement functions on the other two sites. The DEGC is requesting the City Council to approve all three plans at its formal session of July 13, 2005.

As to concerns regarding the impact of the failed existing Project Plan on the area and the lack of apparent benefit from the proposed amended and restated Plan, CPC staff noted that the proposed Plan would provide some benefit to adjacent private properties. Funds are not currently in place to improve the infrastructure throughout the district, but the Plan could provide the means or support for seeking and obtaining such funds. Investment is returning to the area through the Plan and the efforts of the Conservancy and the City which should result in providing a higher level of service to the area than in recent years past.

CPC staff reviewed concerns regarding the future of Chene Park in light of a provision of the Plan affecting the land that supplies parking for the park. The future of Chene Park has been questioned over the course of the east riverfront planning efforts. CPC staff has even viewed a map where the area of Chene Park is not in the future plans for the Riverfront. CPC staff noted that the Park is recognized as a public facility and the Proposed Public Facilities and Land Use Plan of the Project Plan calls for the land to continue to be used for Parks and Recreation facilities. If the Park is proposed to be removed, the Plan would have to be amended.

The residential/mixed use designation of the land for parking would include parking as a use even though it is not clearly spelled out. However, it is possible that a redevelopment proposal for that site may not include parking to support Chene Park. DEGC noted that the intent of the Plan would be to support the Park as long as the venue continues to operate. Therefore, some parking provisions would have to be made for the Park. CPC staff recommended that language be added to the Plan stating, "parking will remain." DEGC disagreed with such an inclusion and believes there is no need to add text and that the document addresses the concern in its current form.

Mr. Flies emphasized that it is DEGC's true intent to provide parking as long as Chene Park exists which will probably be for many decades. The site for parking was acquired under the Coleman A. Young Administration and initially intended to be used for housing. The ultimate long-range use would be residential/mixed-use; but, until such time as an alternative development is proposed, parking will remain. In response to Commissioner Williams, Mr. Flies noted that there are no plans for a specific housing development in the area.

Ms. Bruhn noted that CPC staff participated in the East Riverfront planning meetings. At the meetings, concern were expressed about the compatibility of Chene Park with the housing plans espoused in the Cooper Robertson plan. The concern was not resolved.

Discussion ensued on the number of events held at Chene Park per year and impact on possible future housing developments. Mr. Flies estimated that there were two-three major events per week during the summer months.

Commissioner Jeffrey felt strongly that language regarding the retention of parking for Chene Park is incorporated into the Plan. Although collegial relationships may exist between agencies and staff, Commissioners Wendler and Jeffrey supported language in a document that would remain in perpetuity.

CPC staff noted that the concerns of REAL have been addressed by the DEGC. The concerns related to the preservation and rehab of 1500 Woodbridge. An executed copy of the July 1, 2005 memorandum of understanding between Real and the EDC was distributed to the Commissioners. CPC staff recommended that the document of understanding be referenced in the Project Plan.

Discussion ensued on whether the letter of understanding should be incorporated in the Plan. Commissioner Wendler expressed concern that memorandums are not enforceable

regardless of whether or not they are referenced in a Plan. However, given the community's satisfaction with the agreement, she expressed support for just referencing the letter in the Plan.

Charlayne Gage of REAL noted that the organization would not object to stronger wording regarding the agreement. Mr. Papapanos stated that the Memorandum of Understanding will not be any more valuable if placed in the Plan provided specifics are included in the agreement. Mr. Flies noted the specifics of the Memorandum. This included agreement by the EDC that the initial request for proposals or request for proposals and qualifications for the block bounded by Woodbridge, Riopelle, Orleans, and Franklin Streets will not call for the demolition of the building located at 1500 Woodbridge. The RFP/RFQ will instead request that the developer adaptively reuse the structure and incorporate it into the large context of its block redevelopment proposal. If after the design concept development process the developer concludes that the building cannot be incorporated into the overall block redevelopment concept, the developer will be permitted to demolish the structure subject to EDC authorization. The EDC will require that a written report, including supporting financial information, be submitted to the EDC. The report will explain the rationale and financial reasons supporting the conclusion that the building cannot be adaptively reused. A meeting between the EDC and the developer will be required before a final determination is made. The participatory role of REAL in the RFP/RFQ process is also described in the Memorandum. Mr. Flies noted that REAL has agreed to this process. The letter could be referenced in the Plan. However, incorporating language into the Plan describing the actual process would be more complicated.

Commissioner Williams noted other projects in which the rehabilitation of certain buildings was built into the process, e.g., Dunbar House in Art Center.

Ms. Bruhn noted the involvement of City-owned land, which would be transferred to the DEGC at some point. The preservation and rehabilitation could be incorporated into the land sale or development agreement. Commissioner Jeffrey noted that the City would not have a problem finding a developer for the parcel of "prime" land. He questioned why it was a problem in incorporating into the Plan what the citizens wanted. CPC staff noted that the Citizens' District Council for the Waterfront Reclamation area did not support the preservation and rehabilitation of 1500 Woodbridge.

Mr. Flies emphasized that REAL is satisfied with the agreement. The President of REAL signed the document. The President even drafted the original letter. Only minor changes were made to the document before it was signed.

Given the community's satisfaction, Commissioners Jeffrey and Williams supported referencing the letter in the Plan.

CPC staff cited the need to include a reference to affordable housing in the Plan. Mr. Todd cited the proposed Housing Strategy and growing national trend toward mixed-income housing developments. In some cities, it is a requirement in order to undertake a project. Since being involved with the visioning and planning efforts along the east riverfront, CPC staff has expressed the desire to make provision for some low to moderate income housing offerings in order to achieve a mixed-income community. Some City Council members

share this sentiment and have also expressed the desire for a substantial amount of commercial retail and entertainment development to be included in the east riverfront district. However, the EDC/DEGC staff and others have not supported this mixed-income approach, particularly as it concerns the redevelopment of the City-owned land, which would be part of subsequent Requests For Proposals. CPC staff recommended that Section 8, Subsection 4(p) be revised to include text reflecting the City's desire to pursue mixed-income housing development along the riverfront and to require that RFPs for the development of the publicly-owned land include the goal of making 20% of the housing units affordable for moderate income persons, and providing prospective developers with the option of reducing that percentage through a contribution to a Project Improvement Fund, administered by the EDC, that would support public amenities, infrastructure and other improvements within the project area.

Mr. Papapanos felt that the market would dictate the development of the riverfront and that the market dictates where affordable housing is built. He expressed opposition to the restriction of making 20% of the housing units affordable for moderate-income persons. He noted that the EDC administers the Brownfield Redevelopment Authority. Of 88 Brownfield Redevelopment Plans, approximately 40 include housing plans totaling 3,300 units of which 700+ are affordable. In those cases, the market dictated that affordable housing could be absorbed in the market place. But to go up front and dictate a specific number would put constraints on the highest and best possible use of the land.

Commissioner Williams inquired as to the location of existing affordable housing units south of Jefferson Ave.

Mr. Flies cited a market analysis conducted during the planning process for the east riverfront. The analysis indicated that economic conditions, retail conditions and mortgage rates indicate this area would most likely be developed with condominiums. During the planning process, discussions were held about affordable housing and providing a mix of income developments in the area. Concerns were raised about providing all units only for the wealthy. The EDC/DEGC expressed concern about requiring a set percentage as it is not known at this time what the market can bear or what programs and forces will influence the City's ability to achieve it. The EDC/DEGC would need to sit down and talk to the developers in reaching an acceptable goal.

Commissioner Jeffrey suggested giving extra points to potential developers who include a certain percentage of residential development for moderate income persons.

Ms. Bruhn felt that Plan should make some reference to the inclusion of affordable housing. If not, there would not be an incentive to provide for it. Does the Commission think it is important enough to include affordable housing in the riverfront area? The market will always say, "we cannot do it." But if it is included, then all of the tools are brought to the table to make it happen.

The Commissioners felt that affordable housing should be included in the Plan.

Commissioner Williams recommended that to the fullest extent possible, efforts should be made to make a portion of the housing units within the Project Area available to persons of moderate income.

Mr. Dempsey noted that the overall market analysis speaks to a diversity of price ranges. The EDC/DEGC supports developing a mixed income community along the riverfront through the provision of various price points in housing.

CPC staff expressed the need to ensure that varied, high quality urban housing developments are realized on the City-owned land and throughout the district. CPC staff noted the need for CPC staff and the Planning and Development Department to participate in the RFP process.

Mr. Flies noted that the participation is welcomed but preferred that it be handled as an understanding that the agencies would work together rather than incorporating it into the Plan.

After discussion, the Commission agreed to prepare a request to the EDC and the Planning and Development Department that the CPC staff be included in the preparation and review of the RFP.

CPC staff recommended approval of the Project Plan with the following revised conditions: 1) that the Project Plan be revised to reflect the ongoing provision of parking for Chene Park; 2) that Section 8, Subsection 4(p) be revised to incorporate by reference the Letter of Understanding between the EDC and the Riverfront East Alliance; 3) that Section 8, Subsection 4(p) be revised to include text reflecting the City's desire to pursue mixed-income housing development along the riverfront and that, to the fullest extent possible, effort be made to make some portion of the housing units within the Project Area available to persons of moderate income and 4) that the CPC prepare a letter to the EDC and the Planning and Development Department requesting increased involvement of CPC staff in the riverfront development process, as it goes forward.

Commissioner Jeffrey requested a copy of the Commission's report and recommendation to City Council.

**ACTION: Commissioner Wendler moved to accept the revised recommendation.
Commissioner Cason seconded the motion.
Motion carried.**

OLD BUS. — Further consideration was given to the request of the Economic Development Corporation of
EDC Detroit (EDC) to approve the proposed Mt. Elliott-Wight Development Project Plan.
Project Present for the public hearing were Art Papapanos, Ron Flies and Michael Dempsey of the
Plan for EDC.
Mt. Elliott-
Wight:

CPC staff member Gregory Moots reviewed the background information and presented CPC staff's recommendation.

The general boundaries of the Plan are Harbortown, Wight Street, the Detroit River, and the former Uniroyal property. The Detroit Riverfront Conservancy (DRC) has requested the assistance of the EDC in constructing a portion of the Detroit RiverWalk between Harbortown and the former Uniroyal property. The EDC will also undertake infrastructure improvements in the adjacent area. In addition to the RiverWalk development, the EDC may accept a lease or title from the City for the former United States Coast Guard (USCG)

Light House Depot located in Mt. Elliott Park to facilitate the renovation and redevelopment of the building for public or private use. The EDC may also construct buoy storage and maintenance facilities for the USCG on land provided to the USCG by the City. These improvements for the USCG are in return for the conveyance to the EDC of land owned by the USCG adjacent to the former Holnam Cement property on the river between Joseph Campau and Chene, for future private development.

The proposed land uses for the Project Area include recreational and park, as well as residential/commercial mixed-uses, and include the existing USCG facility. Approximately one acre within Mt. Elliott Park may be conveyed to the USCG, and the EDC would construct buoy storage and maintenance facilities on that land. The Light House Depot may be renovated for public, private, or combined public-private use. The EDC proposes to construct a portion of the RiverWalk around the USCG facility and across Mt. Elliott Park. This would be conveyed to the DRC. The Purvis Foster industrial facility will remain unchanged.

The construction of this portion of the Detroit RiverWalk is part of the longer walk, and it is anticipated that this RiverWalk will help to draw people to the River and to the Near East Riverfront (NER) area. The infrastructure improvements to the area proposed in this Plan are anticipated to contribute to the redevelopment of the area, as it is presently quite deteriorated. The reuse of the Light House Depot will be welcome, as this could be a strong asset in the area. The land "swap" with the Coast Guard will create another valuable development parcel in the NER area at a relatively low cost to the City improvements in Mt. Elliott Park and for streetscapes on Wight Street and Mt. Elliott Avenue.

The Master Plan designation for the Project Area is "Major Park" east of Mt. Elliott and "Special Residential/Open Space" west of that street. The proposed uses appear to be consistent with the Master Plan.

CPC staff recommended approval of the Project Plan.

ACTION: Commissioner Glaser moved to accept the CPC staff recommendation. Commissioner Cason seconded the motion. Motion carried.

OLD BUS.--
EDC
Project
Plan for
Springwells
Industrial
Park:

Further consideration was given to the request of the Economic Development Corporation of Detroit (EDC) to approve the proposed Springwells Industrial Park Project Plan.

Present for the discussion were Art Papapanos, Ron Flies and Michael Dempsey of the EDC.

CPC staff member Gregory Moots reviewed the background information and presented CPC staff's recommendation.

In 1998, City Council approved the Waterfront Reclamation and Casino Development Project Plan (the Casino Plan). This Plan was subsequently amended on January 29, 1999, and it is this Plan that is still in effect.

A part of that Plan included the acquisition and relocation of the cement companies located in the Near East Riverfront (NER) on the waterfront. Pursuant to that Plan, the EDC

obtained the rights to acquire approximately 80 acres of property on the west riverfront at the confluence of the Detroit and Rouge Rivers, immediately adjacent to Zug Island (known variously as the "Detroit Coke," "Springwells," and "Allied Signal" site) as a site for the relocated cement plants.

While the casinos are now not going on the NER, as a part of the settlement reached between the casino developers and the City, the cement plants are still being relocated to allow for the creation of the State park and development parcels. Those cement plants that choose to move will move to or have moved to the Springwells site. Proceeds from the EDC's Waterfront Reclamation and Casino Development Project bonds have been used to fund the improvements on the Springwells site through the Casino Plan. The EDC believes it is appropriate to adopt a project plan for the development of the Springwells Industrial Park Project so that it may complete the conversion of the property into an industrial subdivision and dispose of the lots in a manner consistent with Public Act 338.

Public and private utilities, infrastructure, including streets, curbs, public lighting facilities, seawalls, water mains and sewers, have or will be demolished, relocated, altered, repaired and/or newly constructed as deemed necessary through the design process set forth in the Development Agreement. The Detroit River will also be dredged to facilitate docking operations.

LaFarge Corporation has relocated its cement facility from the NER to the project area. The Koenig Fuel and Supply Company plans to install a cement storage and batch mix plant on the site, but negotiations are not yet complete.

CPC staff felt that the relocation of the cement silos from the NER to the subject site seems to be in the public interest. The subject site is in the heart of an industrial area and seems suitable for the current and proposed industrial uses.

CPC staff recommended approval of the Project Plan.

ACTION: Commissioner Jeffrey moved to accept the CPC staff recommendation. Commissioner Wendler seconded the motion. Motion carried.

Commissioner Christensen pointed out that the area contains deep injection wells, which were used in the past by Detroit Coke. Mr. Moots noted that that use is proposed to continue. The Project Plan does not affect that use. There are no proposals to change that site.

Status
Report -
2005-06
Goals &
Objectives/
Major Work
Program:

Status reports on the 2005-2006 Goals and Objectives and Major Work Program were included in the CPC table packets.

Director's
Report:

Ms. Bruhn presented the Director's Report.

City Council will be scheduling interviews with Commissioners Cason, Christenson and Williams, who are interested in reappointment. One additional name is to be submitted by Council President Mahaffey.

Adj.: The meeting was adjourned at 8:40 PM.